called that all this was for a period of thirty-seven years, that certain items have been wrongly applied, and that commercial advantages have been obtained through relations with the Philippines.

In a government like that in the Philippines, the tendency has been to perpetuate a bureaucracy. On the other hand, it is a source of gratification that the largest amount of the public funds has been allocated to public instruction. Other large sums have gone to public works, particularly popular with legislators and sacrilegiously referred to as "pork-barrel." Sufficient funds have yearly been appropriated for the funding of the national debt.

Under the circumstances, the Philippine Government has done about as well as the rest of the world in giving value received for taxes and in keeping governmental expenses down to a reasonable level.

THE PUBLIC DEBT

The Philippine Commonwealth starts out in a strong financial position. The net obligations of the Government, as I will presently demonstrate, do not exceed 45,000,000 pesos ($22,500,000), which is a mere trifle in comparison with the enormous debt loads which other peoples must carry.

The Jones Law of 1916 restricted the borrowing power of the Philippine Government to 30,000,000 pesos ($15,000,000), exclusive of the Friar Lands' bonds. In 1921, the United States Congress raised the debt limit of the Central Government to 60,000,000 pesos ($30,000,000) exclusive of the Friar Lands' bonds, and in 1922

considerably liberalized this provision. It was then provided that the indebtedness of the Philippine Government, exclusive of the Friar Lands' bonds and of provincial and municipal bonds, shall not exceed at any one time ten per cent of the tax valuation of its property. As the total assessed valuation of the taxable